

APPENDICES

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Appendices

Glossary of Acronyms and Abbreviations

A

ACSI	American Customer Satisfaction Index
AMS	American Management Systems, Inc.

B

BIPA	Benefits Improvement and Protection Act of 2000
BIS	Bureau of Information Services
BRM	Business Reference Model

C

CHRIS	Comprehensive Human Resources Integrated System
CMS	Centers for Medicare and Medicaid Services
CNC	Currently Not Collectible
CPI-W	Consumer Price Index for Urban Wage Earners and Clerical Workers

D

DCIA	Debt Collection Improvement Act of 1996
DOJ	Department of Justice
DOL	Department of Labor

E

ERS	Employer Reporting System
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F

FAIR Act	Federal Activities Inventory Reform Act
FASAB	Federal Accounting Standards Advisory Board
FECA	Federal Employees' Compensation Act
FFS	Federal Financial System
FHI	Federal Hospital Insurance
FI	Financial Interchange
FICA	Federal Insurance Contributions Act
FMFIA	Federal Managers' Financial Integrity Act
FMS	Financial Management Service
FY	Fiscal Year
FOASI/DI	Federal Old-Age and Survivors Insurance/Disability Insurance
FTE	Full-time Equivalent

G

GAO	Government Accountability Office
GISRA	Government Information Security Reform Act
GPRA	Government Performance and Results Act
GSA	General Services Administration

I

IAE	Integrated Acquisition Environment
IRM	Information Resources Management
IRS	Internal Revenue Service
ISSO	Information System Security Officer
IT	Information Technology

M

MAC	Medicare Administrative Contractor
MCR	Medicare Contracting Reform
MCRC	Management Control Review Committee
MMA	Medicare Prescription Drug, Improvement and Modernization Act of 2003
MOU	Memorandum of Understanding

N

N/A	Not Applicable
NRRIT	National Railroad Retirement Investment Trust

O

OIG	Office of Inspector General
OMB	Office of Management and Budget
OPM	Office of Personnel Management

P

P&AR	Performance and Accountability Report
PBSC	Performance-based Service Contracting
PDP	Prescription Drug Plan

Q

QRRB	Qualified Railroad Retirement Beneficiary
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R

RR	Railroad Retirement
RRA	Railroad Retirement Act
RR Account	Railroad Retirement Account
RRB	Railroad Retirement Board
RRS Account	Railroad Retirement Supplemental Account
RRSIA	Railroad Retirement and Survivors' Improvement Act of 2001
RRTA	Railroad Retirement Tax Act
RUI	Railroad Unemployment Insurance
RUIA	Railroad Unemployment Insurance Act
RUSI	Railroad Unemployment and Sickness Insurance

S

SCHIP	State Children's Health Insurance Program
SFFAS	Statement of Federal Financial Accounting Standards
SSA	Social Security Administration
SSEB	Social Security Equivalent Benefit

I

TOP
Treasury
Trust
TSP

Treasury Offset Program
Department of the Treasury
National Railroad Retirement Investment Trust
Thrift Savings Plan

V

VAN

Virtual Area Network

Railroad Retirement Board
Board Members, Inspector General, and Executive Committee

Board Members

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Labor Member	V. M Speakman, Jr.
Management Member	Jerome F. Kever

Office of Inspector General

Inspector General	Martin J. Dickman
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Chief Financial Officer	Kenneth P. Boehne
Director of Programs	Dorothy A. Isherwood
Acting Chief Information Officer	Terri S. Morgan
Chief Actuary	Frank J. Buzzi

Improper Payments Information Act Reporting Details

I. Describe your agency's risk assessment(s), performed subsequent to compiling your full program inventory. List the risk-susceptible programs (i.e., programs that have a significant risk of improper payments based on OMB guidance thresholds) identified through your risk assessments. Be sure to include the programs previously identified in the former Section 57 of OMB Circular A-11.

The RRB's Office of Programs reviewed each of the two programs our agency administers and calculated the amount of improper payments made in fiscal year 2003. They are listed in the former Section 57 of OMB A-11: Retirement and Survivor Benefits (referred to as RRA) and Railroad Unemployment Insurance Benefits (referred to as RUIA). The results, provided in the response to item IV below, reveal that these programs do not exceed the OMB thresholds for determining "risk susceptible programs." Therefore, the RRB does not have risk susceptible programs as defined by OMB guidance, M-03-13.

Results of Fiscal Year 2003 Improper Payment Review (OMB Guidelines)

Program	Improper Payment Rate >2.5%	Improper Payment Amt. >\$10 million	Action Plan or Targets Needed?
RRA	No	Yes	No
RUIA	No	No	No

II. Describe the statistical sampling process conducted to estimate the improper payment rate for each program identified.

Following OMB guidance, M-03-13, and after consulting with staff from the OIG, the agency established and documented a methodology for identifying improper payments in our RRA and RUIA benefit payment programs. It is based on determining both the known overpayments and underpayments, which have since been recovered or paid out, and estimating those which result from adjudicative error but have not been identified or corrected. This approach, although not based on statistical sampling, is sufficient for making the determination that the improper payments in our programs do not exceed the OMB thresholds. That conclusion is supported by our OIG in a report entitled, *Evaluation of the Sufficiency of Existing Data to Estimate the Impact of Improper Payments on the Railroad Retirement Act Benefit Program* (Report No. 03-12, issued September 17, 2003). This report stated that, "Data currently available in the RRB's systems is sufficient to support a general estimate of the magnitude of improper payments."

Since the levels of improper payments did not exceed these thresholds, the agency was not required to conduct statistical sampling described in the OMB guidance.

III. Explain the corrective actions your agency plans to implement to reduce the estimated rate of improper payments. Include in this discussion what is seen as the cause(s) of errors and the corresponding steps necessary to prevent future occurrences. If efforts are already underway, and/or have been ongoing for some length of time, it is appropriate to include that information in this section.

We were not required to develop a formal plan for corrective action under OMB guidance, M-03-13. However, this agency is undertaking actions where feasible to reduce or eliminate improper payments in our programs. They are described in the Management Discussion and Analysis section of this report.

IV. The table below is required for each reporting agency:

Improper Payment Reduction Outlook FY 2003 – FY 2007
(\$ in millions)

Program	FY 03 Outlays <u>1/</u>	FY 03 IP %	FY 03 IP \$	FY 04 IP % <u>2/</u>	FY 05 IP % <u>2/</u>	FY 06 IP % <u>2/</u>	FY 07 IP % <u>2/</u>
RRA	\$8,900.0	1.9%	\$172.8	N/A	N/A	N/A	N/A
RUIA	\$132.2	2.5%	\$3.3	N/A	N/A	N/A	N/A

1/ At the time we were preparing this report, fiscal year 2004 data was not available.

2/ We have not projected our improper payment rate for future years since we are not required to have a formal long-term action plan for eliminating a percentage of improper payments each year under M-03-13.

V. Discuss your agency's recovery auditing effort, if applicable, including the amount of recoveries expected, the actions taken to recover them, and the business process changes and internal controls instituted and/or strengthened to prevent further occurrences. (This reporting replaces the original legislative requirement for reporting not later than 12/31/04.)

This does not apply to our benefit programs.

VI. Describe the steps the agency has taken and plans to take (including time line) to ensure that agency managers (including the agency head) are held accountable for reducing and recovering improper payments.

Paying benefits accurately and timely, and providing prudent stewardship over our trust funds are our two strategic goals. Agency managers have links to those goals in their own performance plans.

- VII. A. Describe whether the agency has the information systems and other infrastructure it needs to reduce improper payments to the levels the agency has targeted.**
- B. If the agency does not have such systems and infrastructure, describe the resources the agency requested in its FY 2005 budget submission to Congress to obtain the necessary information systems and infrastructure.**

At the fiscal year 2005 agency request level we have included an Enterprise Architecture Capital Asset Plan for fiscal years 2005 through 2007 which consists of an infrastructure modernization initiative, as well as a modernization blueprint for updating our database, applications and legacy systems. We would also develop a metadata repository, and expand our e-Government service delivery. These initiatives will contribute to the achievement of our agency's target architecture in order to meet the agency's performance goals, including accuracy of benefit payments, and stewardship of our trust funds. Funding for these initiatives has also been requested in the fiscal year 2006 budget to support the second year of this multi-year project.

VIII. A description of any statutory or regulatory barriers which may limit the agencies' corrective actions in reducing improper payments.

None have been identified.

IX. Additional comments, if any, on overall agency efforts, specific programs, best practices, or common challenges identified, as a result of IPIA implementation.

For the past several years, the agency's budget request has included a legislative proposal that would allow access to the Office of Child Support Enforcement's (OCSE) quarterly wage data (also known as the National New Hire Directory). According to its 2003 Performance and Accountability Report, SSA has used on-line access to this information to assist in detecting improper payments due to wages, and is exploring the usefulness of a quarterly match with the "new hires" OCSE file. This access could be useful in preventing improper payments in both the RRA and RUIA programs.

The RRB has made concerted efforts to reduce improper payments over the years. Our payment accuracy rates are at consistently high levels and our return on investment for program integrity activities has been high as well. Both have been set as annual performance goals and reported each year since the Government Performance and Results Act has been in effect. We monitor our progress on implementing recommendations from the quality assurance process, and we are vigilant about pursuing OIG recommendations which impact the quality and timeliness of payments. We have also worked closely with our OIG in referring potential fraud cases for investigation and prosecution. We hope to be able to maintain our staffing levels so that we can continue this important effort.

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